

City of Midland, Michigan
Governmental Funds
Balance Sheet
June 30, 2013

	General	Major Street Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets				
Cash and cash equivalents	\$ 8,200,087	\$ 4,447,133	\$ 11,119,567	\$ 23,766,787
Receivables - net of allowances for uncollectibles:				
Taxes	352,033	-	42,188	394,221
Trust deeds	47,222	-	1,207,096	1,254,318
Customers	-	-	229,343	229,343
Accounts and contracts	330,086	6,732	465,928	802,746
Accrued interest	1,516	535	1,400	3,451
Due from other units of government	1,078,299	500,816	215,564	1,794,679
Due from other funds	-	-	112,983	112,983
Inventories	65,071	-	37,318	102,389
Assets held for resale	-	225,000	-	225,000
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	\$ 10,074,314	\$ 5,180,216	\$ 13,431,387	\$ 28,685,917
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Liabilities				
Accounts payable	\$ 507,118	\$ 246,516	\$ 205,997	\$ 959,631
Due to other funds	-	-	112,983	112,983
Due to other units of government	1,425	-	-	1,425
Deposits	28,292	-	27,555	55,847
Unearned revenue	1,116	-	1,420,663	1,421,779
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities	537,951	246,516	1,767,198	2,551,665
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Deferred inflows of resources				
Grants	-	-	5,504	5,504
State shared revenue	551,286	-	-	551,286
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total deferred inflows of resources	551,286	-	5,504	556,790
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities and deferred inflows of resources	1,089,237	246,516	1,772,702	3,108,455
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

See Accompanying Notes to Financial Statements

City of Midland, Michigan
Governmental Funds
Balance Sheet
June 30, 2013

	General	Major Street Fund	Nonmajor Governmental Funds	Total Governmental Funds
Fund balances				
Non-spendable				
Inventories	\$ 65,071	\$ -	\$ 37,318	\$ 102,389
Trust deeds	47,222	-	-	47,222
Assets held for resale	-	225,000	-	225,000
Restricted for				
Major street	-	4,298,738	-	4,298,738
Local street	-	-	3,765,639	3,765,639
City center authority	-	-	5,020	5,020
Grace A. Dow memorial library	-	-	2,888,678	2,888,678
Downtown development authority	-	-	831,807	831,807
Community development block grant	-	-	100,533	100,533
Midland Housing	-	-	149,073	149,073
Special activities	-	-	124,922	124,922
Permanent fund - cemetery activities	-	-	1,914,615	1,914,615
Committed				
Contingencies	1,500,000	-	-	1,500,000
Future year expenditures	1,975,477	409,962	335,712	2,721,151
Assigned	724,234	-	1,505,368	2,229,602
Unassigned	4,673,073	-	-	4,673,073
 Total fund balances	 <u>8,985,077</u>	 <u>4,933,700</u>	 <u>11,658,685</u>	 <u>25,577,462</u>
 Total liabilities, deferred inflows of resources and fund balances	 <u>\$ 10,074,314</u>	 <u>\$ 5,180,216</u>	 <u>\$ 13,431,387</u>	 <u>\$ 28,685,917</u>

See Accompanying Notes to Financial Statements

City of Midland, Michigan
Governmental Funds
Reconciliation of Fund Balances of Governmental Funds
to Net Position of Governmental Activities
June 30, 2013

Total fund balances for governmental funds	\$ 25,577,462
Total net position for governmental activities in the statement of net position is different because:	
Capital assets net of accumulated depreciation used in governmental activities are not financial resources and therefore are not reported in the funds.	68,844,005
Capital assets not being depreciated used in governmental activities are not financial resources and therefore are not reported in the funds.	6,972,865
Investment in joint ventures are not financial resources and therefore are not reported in the governmental funds.	378,471
Certain receivables are not available to pay for current period expenditures and, therefore are deferred in the funds.	556,790
Certain liabilities are not due and payable in the current period and are not reported in the funds.	
Accrued interest	(90,685)
Long-term liabilities applicable to governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities.	
Bonds payable	(12,883,507)
Compensated absences	(3,248,533)
Internal service funds are included as part of governmental activities.	<u>17,688,952</u>
Net position of governmental activities	<u><u>\$ 103,795,820</u></u>

See Accompanying Notes to Financial Statements

City of Midland, Michigan
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2013

	General	Major Street Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues				
Taxes	\$ 30,558,999	\$ 2,012,020	\$ 3,390,020	\$ 35,961,039
Licenses and permits	494,376	108,157	84,947	687,480
Federal grants	47,463	-	535,755	583,218
State revenue sharing	3,239,202	-	-	3,239,202
Other state grants	34,118	4,154,200	1,553,312	5,741,630
Local contributions	203,530	-	3,219,654	3,423,184
Charges for services	2,083,906	176,456	1,477,999	3,738,361
Use and admission charges	282,393	-	-	282,393
Interest income	27,888	5,088	11,695	44,671
Rental income	108,013	-	-	108,013
Other revenue	1,129,934	15,359	111,058	1,256,351
Total revenues	38,209,822	6,471,280	10,384,440	55,065,542
Expenditures				
Current				
General government	6,005,546	-	134,042	6,139,588
Public safety	15,724,988	-	-	15,724,988
Public works	3,044,278	1,447,071	1,366,928	5,858,277
Sanitation	2,450,295	-	-	2,450,295
Community and economic development	-	-	566,585	566,585
Parks and recreation	4,888,990	-	-	4,888,990
Library and community television	-	-	4,079,055	4,079,055
Airport	362,084	-	-	362,084
Transportation	-	-	1,819,483	1,819,483
Property tax appeals	573,260	-	-	573,260
Capital outlay	306,299	2,566,045	1,253,326	4,125,670
Debt service				
Principal retirement	-	-	1,040,000	1,040,000
Interest and fiscal charges	-	-	582,106	582,106
Total expenditures	33,355,740	4,013,116	10,841,525	48,210,381
Excess (deficiency) of revenues over (under) expenditures	4,854,082	2,458,164	(457,085)	6,855,161

See Accompanying Notes to Financial Statements

City of Midland, Michigan
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2013

	<u>General</u>	<u>Major Street Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Other financing sources (uses)				
Transfers in	\$ 56,560	\$ 12,182	\$ 5,706,435	\$ 5,775,177
Transfers out	<u>(4,664,802)</u>	<u>(1,850,452)</u>	<u>(1,120,917)</u>	<u>(7,636,171)</u>
Total other financing sources (uses)	<u>(4,608,242)</u>	<u>(1,838,270)</u>	<u>4,585,518</u>	<u>(1,860,994)</u>
Net change in fund balance	245,840	619,894	4,128,433	4,994,167
Fund balance - beginning of year	<u>8,739,237</u>	<u>4,313,806</u>	<u>7,530,252</u>	<u>20,583,295</u>
Fund balance - end of year	<u>\$ 8,985,077</u>	<u>\$ 4,933,700</u>	<u>\$ 11,658,685</u>	<u>\$ 25,577,462</u>

See Accompanying Notes to Financial Statements

City of Midland, Michigan
Governmental Funds
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2013

Net change in fund balances - Total governmental funds	\$ 4,994,167
Total change in net position reported for governmental activities in the statement of activities is different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Depreciation expense	(4,725,242)
Capital outlay	4,350,754
Loss on disposal of capital assets	(1,025)
Investment in joint ventures are not financial resources and therefore are not shown in the fund - based statements	10,021
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.	
State shared revenue	23,341
Grants	(43,012)
Expenses are recorded when incurred in the statement of activities.	
Accrued interest	6,285
Compensated absences	45,717
Bond proceeds are reported as financing sources in the governmental funds and thus contribute to the change in fund balance. In the statement of net position, however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the statement of net position.	
Repayments of long-term debt	1,040,000
Repayments of capital lease	209,187
Amortization of premiums, discounts and similar items	(14,150)
Internal service funds are also included as governmental activities	<u>(28,601)</u>
Change in net position of governmental activities	<u>\$ 5,867,442</u>

See Accompanying Notes to Financial Statements